

<p style="text-align: center;"><b>Appendix O</b> <b>PROHIBITED CONTRIBUTIONS</b></p>
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Certain contributions are prohibited by the Act. A prohibited contribution must be returned as soon as the committee recognizes that it has received a contribution that cannot be accepted. If a prohibited contribution has been deposited in the committee's account, an expenditure from the account must be made to return the prohibited contribution. If the prohibited contribution has not been deposited, the actual contribution must be returned.

A contribution that is returned within 30 business days of receipt is not considered to be a contribution and is, therefore, not a violation of the Act.

The Michigan Campaign Finance Act prohibits the following contributions:

- Anonymous Contributions: A committee may not accept an anonymous contribution. If a contribution is received without name and address information, it must be donated to a tax-exempt charitable organization and a receipt is needed for committee records.
- Cash Contributions over \$20.00: A committee may not accept contributions of \$20.01 or more in cash. Cash contributions of \$20.00 or less may be accepted and must be reported in detail with name, address, date and amount of each contribution. This requirement includes money received through the sale of political merchandise, fundraisers or through any other source.
- Candidate Committee to Candidate Committee: A *Candidate* Committee must not accept a contribution from another *Candidate* Committee except for the purchase of a fundraiser ticket, not to exceed \$100.00 from that *Candidate* Committee in a calendar year.
- Earmarking: A committee may not accept a contribution with the agreement or arrangement that the committee will transfer the contribution to a particular *Candidate* Committee.
- Foreign Nationals: The Federal Election Campaign Act prohibits Foreign Nationals from making any contribution or expenditure (including independent expenditures) in connection with any U.S. elections. It is also unlawful for any person to solicit, accept or receive a contribution from a foreign national.
- Contribution in the Name of Another: A person shall not make a contribution by any name other than the name by which that person is identified for legal reasons.
- Corporations, Joint Stock Companies, Labor Organizations, Domestic Dependent Sovereigns (Indian tribes): A Committee, *other than a Ballot Question Committee*, may not accept a contribution of money from treasury funds, goods, services, discounts or free use of facilities from a corporation, a joint stock company, a labor organization, or a domestic dependent sovereign.

A corporation, joint stock company, labor union or domestic dependent sovereign may not purchase fund raiser or dinner tickets to committee events; may not donate prizes or awards for fund raisers or other events sponsored by or for the benefit of a committee; may not provide a discount unavailable to the general public to a committee; and may not pay off or forgive a committee debt for a committee.

Prohibitions against corporate contributions apply to all types of corporations, including large and small corporations, non-profit and for-profit corporations, professional corporations and sub-chapter S corporations. The only exception is for a corporation formed strictly for political purposes only.

- Casino Interest Holders: Public Act 69 of 1997 amended the Michigan Casino Revenue and Control Act to prohibit persons having a casino interest in one of the three Detroit casinos from making campaign contributions during certain periods of time.

The Michigan Gaming Control Board enforces this prohibition. A person who makes a prohibited contribution is guilty of a felony, punishable by imprisonment for 10 years and/or a fine of not more than \$100,000.00.

The persons who are prohibited from making contributions are:

1. a casino licensee or a supplier licensee;
2. a person who holds at least a 1% interest in a casino licensee, a supplier licensee or a casino enterprise;
3. a person who is an officer or a managerial employee of the licensee or casino enterprise as defined by rules promulgated by the Casino Gaming Board;
4. a person who is an officer of the person who holds at least a 1% interest in the licensee or casino enterprise;
5. the Independent Committee of a licensee or casino enterprise.

Casino Licensee - Contributions may not be made from a date one year prior to applying to the MGCB for a Casino License, and continuing until three years after the license expires. The prohibited period includes all time in between these dates, including the period when the MGCB is still considering a license application.

Supplier Licensee - Contributions may not be made from the date an application is submitted to the MGCB for a Supplier License, and continuing until three years after the license expires.

Public Act 71 of 1997 amended the Act to provide that a committee shall not knowingly maintain receipt of a contribution from a person prohibited from making a contribution during the prohibited period under Public Act 69. For purposes of this section of Public Act 71, a committee is only considered to have knowingly maintained receipt of a contribution prohibited under Public Act 69 and is subject to penalty for that violation if both of the following circumstances exist:

- The Secretary of State has, by registered mail, notified the committee that the committee has received a contribution in violation of this section and has specifically identified that contribution.
  - The committee fails to return the contribution identified on or before the thirtieth business day after the date the committee receives the notification.
- Solicitation and Acceptance of Contributions by Separate Segregated Funds: A Political or Independent Committee that is established as a separate segregated fund is not permitted to solicit or accept contributions from another Political or Independent Committee or from any person who is not allowed to contribute to the separate segregated fund.